

CITY COUNCIL AGENDA REPORT

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO SETTING THE BUS FRANCHISE TAX PURSUANT TO CALEXICO MUNICIPAL CODE SECTION 5.36.170.

AGENDA DATE: November 18, 2008

PREPARED BY: Ralph Velez, City Manager

APPROVED FOR AGENDA BY: Ralph Velez, City Manager



RECOMMENDATION: Approve resolution.

FISCAL IMPACT: Increased revenues to the City.

CURRENT DISCUSSION: The draft resolution proposes an increase in the Bus Franchise Tax to be charged on a per company and per bus basis. The City Council is charged with the authority to regulate and approve bus permits to bus companies within the City. This resolution specifies that each company must pay \$25 per quarter to operate a bus company within the City and also the company must pay \$25 per quarter per bus. This rate is fair due to the fact that buses operate in the public right of way and require City regulation to operate

Pros: Increased business license tax revenue to go to the general fund for the impact on general services of the City due to bus operation and some cost recovery for the regulation of the bus companies.

Cons: If the City does not pass this ordinance, the City will miss out on the opportunity to capture some cost recovery for the time and services needed to regulate these companies and to be used towards the general services impacted by bus companies.

Attachment: Resolution

RESOLUTION NO. 2008-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO SETTING
THE BUS FRANCHISE TAX PURSUANT TO CALEXICO MUNICIPAL CODE
SECTION 5.36.170.**

WHEREAS, Calexico Municipal Code section 5.36.170 authorizes the City Council to determine a reasonable amount to be set for a Bus Franchise Tax in lieu of a business license tax to be charged on buses that operate wholly within the city limits; and

WHEREAS, such buses operate in the public right of way and are licensed and regulated by the City pursuant to the Calexico Municipal Code; and

WHEREAS, the rates charge to such bus companies have not been changed for a number of years; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CALEXICO AS FOLLOWS:

SECTION 1. The above-listed recitals are true and correct.

SECTION 2. The City shall levy the amount of TWENTY-FIVE DOLLARS (\$25.00) per bus company per quarter and TWENTY-FIVE DOLLARS (\$25.00) per bus per quarter as a Franchise Tax and in lieu of a business license tax for the business of running and operating buses on the public streets of the City of Calexico.

PASSED, ADOPTED, AND APPROVED by the City Council of the City of Calexico at the regular meeting this 18th day of November, 2008.

PASSED, APPROVED AND ADOPTED THIS 18th DAY OF NOVEMBER, 2008.

LOUIS FUENTES, MAYOR

ATTEST:

LOURDES CORDOVA, CITY CLERK

APPROVED AS TO FORM:

Jennifer M. Lyon, City Attorney

STATE OF CALIFORNIA)
COUNTY OF IMPERIAL) SS.
CITY OF CALEXICO)

I, LOURDES CORDOVA, CITY CLERK OF THE CITY OF CALEXICO, DO HEREBY CERTIFY THAT THE ABOVE FOREGONG RESOLUTION NO. ____ WAS DULY PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CALEXICO ON THIS 18th DAY OF NOVEMBER, 2008, BY THE FOLLOWING VOTE TO-WIT:

AYES:
NOES:
ABSENT:

LOURDES CORDOVA, CITY CLERK